

AMENDED IN ASSEMBLY APRIL 15, 1997
AMENDED IN ASSEMBLY MARCH 31, 1997

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 334

**Introduced by Assembly Members Wildman, Sweeney, and
Takasugi
(Coauthor: Assembly Member Napolitano)**

February 18, 1997

~~An act to amend Section 30055 of the Government Code, An~~
act to add Section 30055.5 to the Government Code, relating
to taxation, and declaring the urgency thereof, to take effect
immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 334, as amended, Wildman. Sales and use taxes:
revenue allocation: local public safety services.

Existing law requires that revenues derived from the
imposition of a portion of the state sales and use taxes be
apportioned to certain counties to be allocated to cities within
those counties for the funding of local public safety services,
as defined.

Existing law requires, for the 1996–97 fiscal year and each
fiscal year thereafter, that these sales and use tax revenues be
allocated to those cities that provide public safety services
within certain counties in accordance with an allocation factor
determined as a ratio for each of those cities in accordance

with a specified formula. The formula contains a specified percentage cap that limits the size of this ratio.

~~This bill would modify the formula for computing each city's allocation factor by removing this percentage cap, and would instead establish a similar percentage cap that directly limits the amount of revenue to be allocated to each city~~ *provide that this allocation formula for the distribution of sales and use tax revenues between cities and counties, as modified by AB 339 of the 1997-98 Regular Session of the Legislature, shall be applicable for the 1996-97 fiscal year and each fiscal year thereafter.* By imposing new duties with respect to the allocation of sales and use tax revenues within certain counties for the 1996-97 fiscal year, this bill would impose a state-mandated local program.

This bill would state the Legislature's intent in enacting the bill.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

This bill would provide that it would become operative only if AB 339 of the 1997-98 Regular Session is enacted and becomes effective on or before January 1, 1998.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1.—Section 30055 of the Government Code~~
- 2 *SECTION 1. Section 30055.5 is added to the*
- 3 *Government Code, to read:*

1 30055.5. *The allocation formula for the distribution of*
2 *sales and use tax revenues between cities and counties*
3 *provided for in Section 30055, as amended by Assembly*
4 *Bill 339 of the 1997-98 Regular Session of the Legislature,*
5 *shall be applicable for the 1996-97 fiscal year and each*
6 *fiscal year thereafter.*

7 ~~is amended to read:~~

8 ~~30055. For the 1996-97 fiscal year and each fiscal year~~
9 ~~thereafter, each county shall establish a Public Safety~~
10 ~~Augmentation Fund in the county treasury to receive~~
11 ~~those revenues allocated to the county pursuant to~~
12 ~~Sections 30052 and 30053. Amounts deposited in this fund~~
13 ~~shall be expended exclusively to fund public safety~~
14 ~~services, and for that purpose shall be allocated among~~
15 ~~the county and the cities in the county that provide public~~
16 ~~safety services, as follows:~~

17 ~~(a) (1) For purposes of determining the amounts to~~
18 ~~be allocated to cities, the auditor shall, except as~~
19 ~~otherwise provided in subdivision (b), (c), or (d), and~~
20 ~~subject to the allocation limit set forth in paragraph (2),~~
21 ~~multiply the monthly amount allocated to the county~~
22 ~~pursuant to subdivision (a) of Section 30053 by an~~
23 ~~allocation factor for each city, calculated as follows:~~

24 ~~(A) The numerator shall be the difference between~~
25 ~~the amount of ad valorem property tax revenue shifted~~
26 ~~from that city to the county's Educational Revenue~~
27 ~~Augmentation Fund pursuant to Section 97.3 of the~~
28 ~~Revenue and Taxation Code for the 1993-94 fiscal year,~~
29 ~~and the amount of vehicle license fee revenues allocated~~
30 ~~to the city pursuant to Section 11005.4 of the Revenue and~~
31 ~~Taxation Code for the 1993-94 fiscal year.~~

32 ~~(B) The denominator shall be the amount of ad~~
33 ~~valorem property tax revenue shifted from the county~~
34 ~~and all cities in the county to the county's Educational~~
35 ~~Revenue Augmentation Fund pursuant to Section 97.3 of~~
36 ~~the Revenue and Taxation Code for the 1993-94 fiscal~~
37 ~~year, less the amount of vehicle license fee revenues~~
38 ~~allocated to the county and all cities in the county~~
39 ~~pursuant to Section 11005.4 of the Revenue and Taxation~~
40 ~~Code for the 1993-94 fiscal year.~~

~~(2) Notwithstanding the calculations required by paragraph (1), in no event shall the allocation determined for a city pursuant to this subdivision exceed 50 percent of the difference between the following amounts:~~

~~(A) The amount by which the city's allocation of property tax revenues was reduced pursuant to Section 97.3 for the 1993-94 fiscal year.~~

~~(B) The amount of vehicle license fees allocated to the city pursuant to Section 11005.4 of the Revenue and Taxation Code for the 1993-94 fiscal year.~~

~~(b) Notwithstanding subdivision (a), the amount in the augmentation fund established pursuant to this section in each county described in paragraph (3) shall be allocated to the cities in that county that provide public safety services, as follows:~~

~~(1) The auditor shall determine an allocation factor for each city within the county, the numerator of which shall be the amount of the revenue shifted from that city to the Educational Revenue Augmentation Fund pursuant to Section 97.3 of the Revenue and Taxation Code for the 1993-94 fiscal year, and the denominator of which shall be the amount of revenue shifted from all cities in the county to the Educational Revenue Augmentation Fund pursuant to Section 97.3 of the Revenue and Taxation Code for the 1993-94 fiscal year.~~

~~(2) The auditor shall multiply 5 percent of the amount in the augmentation fund established pursuant to this section by the allocation factor determined for each city in paragraph (1). The amount so computed for each city shall be allocated to that city.~~

~~(3) This subdivision applies only to the Counties of Fresno, Kings, Merced, San Bernardino, San Joaquin, Solano, and Yolo.~~

~~(4) This subdivision shall apply to a particular county described in paragraph (3) only if the total amount allocated under this paragraph to all of the cities therein that provide public safety services is less than the amount that would otherwise be allocated to all of those cities pursuant to subdivision (a).~~

~~(c) Notwithstanding subdivision (a), the amount in the augmentation fund established pursuant to this section for the County of Alameda shall be allocated to the cities in the County of Alameda that provide public safety services as follows:~~

~~(1) The auditor shall determine an allocation factor for each city within the county, the numerator of which shall be the amount of the revenue shifted from that city to the Educational Revenue Augmentation Fund pursuant to Section 97.3 of the Revenue and Taxation Code for the 1993-94 fiscal year, and the denominator of which shall be the amount of revenue shifted from all cities in the County of Alameda to the Educational Revenue Augmentation Fund pursuant to Section 97.3 of the Revenue and Taxation Code for the 1993-94 fiscal year.~~

~~(2) The auditor shall multiply 6.1 percent of the amount in the augmentation fund established pursuant to this section by the allocation factor determined for each city in paragraph (1). The amount so computed for each city shall be allocated to that city.~~

~~(d) Notwithstanding subdivision (a), for the 1997-98 fiscal year and each fiscal year thereafter, the auditor in the County of San Diego shall allocate to each eligible city in the county that provides public safety services, from the county's Public Safety Augmentation Fund created pursuant to paragraph (1), an amount obtained by multiplying the amount in the Public Safety Augmentation Fund by the allocation factor listed below for each city:~~

Carlsbad	0.3582694
Chula Vista	0.3126700
Coronado	0.1205707
Del Mar	0.0266781
El Cajon	0.1479797
Escondido	0.2874369
Imperial Beach	0.0543447
La Mesa	0.1035164
Lemon Grove	0.0151415
National City	0.0569347

1	Oceanside	0.6955004
2	San Diego	3.1831131
3	San Marcos	0.0585130
4	Vista	0.2269571

5

6 ~~(e) All moneys in the Public Safety Augmentation~~
 7 ~~Fund not allocated to any city within the county pursuant~~
 8 ~~to subdivision (a), (b), (c), or (d) shall be allocated to the~~
 9 ~~county.~~

10 ~~(f) The amendments made to subdivision (a) by the~~
 11 ~~act adding this subdivision shall be applicable for the~~
 12 ~~1996-97 fiscal year and each fiscal year thereafter.~~

13 SEC. 2. It is the intent of the Legislature in enacting
 14 this act to implement the correct allocation formula for
 15 distribution of Proposition 172 sales and use tax revenues
 16 between cities and counties.

17 SEC. 3. Notwithstanding Section 17610 of the
 18 Government Code, if the Commission on State Mandates
 19 determines that this act contains costs mandated by the
 20 state, reimbursement to local agencies and school
 21 districts for those costs shall be made pursuant to Part 7
 22 (commencing with Section 17500) of Division 4 of Title
 23 2 of the Government Code. If the statewide cost of the
 24 claim for reimbursement does not exceed one million
 25 dollars (\$1,000,000), reimbursement shall be made from
 26 the State Mandates Claims Fund.

27 Notwithstanding Section 17580 of the Government
 28 Code, unless otherwise specified, the provisions of this act
 29 shall become operative on the same date that the act
 30 takes effect pursuant to the California Constitution.

31 SEC. 4. *This act shall become operative only if*
 32 *Assembly Bill 339 is enacted and becomes effective on or*
 33 *before January 1, 1998.*

34 SEC. 5. This act is an urgency statute necessary for the
 35 immediate preservation of the public peace, health, or
 36 safety within the meaning of Article IV of the
 37 Constitution and shall go into immediate effect. The facts
 38 constituting the necessity are:

39 In order to correct the formula for computing the
 40 allocation factors used by certain counties to allocate sales

1 and use tax revenues to cities within those counties for
2 public safety services at the earliest opportunity, it is
3 necessary that this act take effect immediately.

O

